

House Amendment 1655

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1 1 Amend the House amendment, S=3246, to Senate File
1 2 457, as amended, passed, and reprinted by the Senate,
1 3 as follows:
1 4 #1. Page 3, by inserting after line 15 the
1 5 following:
1 6 <#____. Page 12, by inserting after line 22 the
1 7 following:
1 8 <DIVISION IV
1 9 DISASTER RECOVERY HOUSING PROJECT TAX CREDIT
1 10 Sec. ____ NEW SECTION. 16.191 DISASTER RECOVERY
1 11 HOUSING PROJECT TAX CREDIT.
1 12 1. a. A tax credit shall be allowed against the
1 13 taxes imposed in chapter 422, divisions II and III for
1 14 a portion of a taxpayer's qualifying investment, as
1 15 provided in subsection 3, in a qualifying disaster
1 16 recovery housing project. To qualify as a disaster
1 17 recovery housing project, a property, and the
1 18 activities affecting the property, shall meet all of
1 19 the following conditions:
1 20 (1) The property is owned by a taxpayer who is an
1 21 individual, business, or corporation subject to
1 22 taxation under chapter 422, divisions II or III.
1 23 (2) A qualifying investment, as defined in
1 24 subsection 3, is made by the taxpayer.
1 25 (3) The project involves the construction or
1 26 rehabilitation of housing on the property.
1 27 (4) The property is located in an area that the
1 28 governor proclaimed a disaster emergency or the
1 29 president of the United States declared a major
1 30 disaster during the period of time beginning May 1,
1 31 2008, and ending August 31, 2008.
1 32 (5) An application for low-income housing tax
1 33 credits pursuant to section 42 of the Internal Revenue
1 34 Code has been submitted to the Iowa finance authority
1 35 on behalf of the project and has been determined by
1 36 the authority to meet the threshold requirements for
1 37 an award of credits as set forth in the applicable
1 38 qualified allocation plan.
1 39 b. An individual may claim a tax credit under this
1 40 subsection of a partnership, limited liability
1 41 company, S corporation, estate, or trust electing to
1 42 have income taxed directly to the individual. The
1 43 amount claimed by the individual shall be based upon
1 44 the pro rata share of the individual's earnings from
1 45 the partnership, limited liability company, S
1 46 corporation, estate, or trust.
1 47 2. a. To claim a disaster recovery housing
1 48 project tax credit under this section, a taxpayer must
1 49 attach one or more tax credit certificates to the
1 50 taxpayer's tax return. The tax credit certificate or
2 1 certificates attached to the taxpayer's tax return
2 2 shall be issued in the taxpayer's name, expire on or
2 3 after the last day of the taxable year for which the
2 4 taxpayer is claiming the tax credit, and show a tax
2 5 credit amount equal to or greater than the tax credit
2 6 claimed on the taxpayer's tax return.
2 7 b. After verifying the eligibility of a taxpayer
2 8 for a tax credit pursuant to this section, the
2 9 authority shall issue a disaster recovery housing
2 10 project tax credit certificate to be attached to the
2 11 taxpayer's tax return. The tax credit certificate
2 12 shall contain the taxpayer's name, address, tax
2 13 identification number; the amount of the credit; and
2 14 any other information required by the department of
2 15 revenue.
2 16 c. The tax credit certificate, unless otherwise
2 17 void, shall be accepted by the department of revenue
2 18 as payment for taxes imposed pursuant to chapter 422,
2 19 divisions II or III subject to any conditions or
2 20 restrictions placed by the authority upon the face of
2 21 the tax credit certificate and subject to the
2 22 limitations of this section.
2 23 d. Tax credit certificates issued under this
2 24 section are not transferable to any person or entity.

2 25 3. a. The tax credit equals seventy=five percent
2 26 of the taxpayer's qualifying investment in a disaster
2 27 recovery housing project. For the purposes of this
2 28 section, "qualifying investment" means the costs
2 29 incurred by the taxpayer that are directly related to
2 30 a disaster recovery housing project, as defined in
2 31 subsection 1, and which are incurred on or after the
2 32 effective date of this Act and prior to July 1, 2010.
2 33 b. The amount of the tax credit calculated under
2 34 paragraph "a" shall be divided by five and applied
2 35 equally to the taxpayer's tax liability for five
2 36 consecutive tax years commencing with the tax year
2 37 beginning in the 2011 calendar year. Any tax credit
2 38 in excess of the taxpayer's liability for the tax year
2 39 is not refundable.
2 40 4. For purposes of the individual income tax, the
2 41 increase in the basis of the property that would
2 42 otherwise result from the disaster recovery housing
2 43 investment shall be reduced by the amount of the tax
2 44 credit allowed under this section.
2 45 5. The maximum amount of tax credits issued by the
2 46 authority under this section shall not exceed three
2 47 million dollars in each of the five tax years.
2 48 Sec. _____. NEW SECTION. 16.192 APPROVAL ==
2 49 REQUIREMENTS == REPAYMENT.
2 50 1. A taxpayer seeking to claim a tax credit
3 1 pursuant to section 16.191 shall apply to the
3 2 authority which shall have the power to approve the
3 3 amount of tax credit available for each disaster
3 4 recovery housing project.
3 5 2. A taxpayer applying for a tax credit shall
3 6 provide the authority with all of the following:
3 7 a. Information showing the total qualified
3 8 investment made in the disaster recovery housing
3 9 project.
3 10 b. Information about the financing sources that
3 11 are directly related to the disaster recovery housing
3 12 project for which the taxpayer is seeking approval for
3 13 the tax credit.
3 14 3. If a taxpayer receives a tax credit pursuant to
3 15 section 16.191, but fails to comply with any of the
3 16 requirements in this section or section 16.191, or
3 17 fails to comply with local zoning or construction
3 18 ordinances, the tax credit is void, and the department
3 19 of revenue shall seek recovery of the value of the
3 20 credit received.
3 21 Sec. _____. NEW SECTION. 422.11X DISASTER RECOVERY
3 22 HOUSING PROJECT TAX CREDIT.
3 23 The taxes imposed under this division, less the
3 24 credits allowed under section 422.12, shall be reduced
3 25 by a disaster recovery housing project tax credit
3 26 allowed under section 16.191.
3 27 Sec. _____. Section 422.33, Code 2009, is amended by
3 28 adding the following new subsection:
3 29 NEW SUBSECTION. 27. The taxes imposed under this
3 30 division shall be reduced by a disaster recovery
3 31 housing project tax credit allowed under section
3 32 16.191.
3 33 Sec. _____. EFFECTIVE AND RETROACTIVE APPLICABILITY
3 34 DATES.
3 35 This division of this Act, being deemed of
3 36 immediate importance, takes effect upon enactment and
3 37 applies to disaster recovery housing project costs
3 38 incurred on or after the effective date of this Act
3 39 and before July 1, 2010.>
3 40 #_____. Title page, line 14, by inserting after the
3 41 word <areas,> the following: <providing income tax
3 42 credits for certain disaster recovery housing
3 43 projects,>.>
3 44 #2. By renumbering as necessary.
3 45 SF 457.S
3 46 md/sc/jh/26